

From: "Mike Mazur" <mmazur@3phasesRenewables.com>
To: "Jason Orta" <Jorta@energy.state.ca.us>, "Heather Raitt" <Hraitt@ene...
Date: 6/8/2007 9:49 AM
Subject: RE: 2004 RECs from Sierra Pacific Burney

CC: <dkalafatas@3phases.com>, <beckimeadows@gmail.com>
Heather:

I have left a message for Jason few days ago to this regard.

Is he in the office these days?

Can someone get back to us on the issue, below?

Thanks,

Mike

Jason:

Thanks for recap.

We will wait for news from your side.

It looks like we are ready on our side.

Regards,

Michael Mazur, PE, MBA

Principal

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From: Jason Orta [mailto:Jorta@energy.state.ca.us]
Sent: Friday, May 18, 2007 5:00 PM
To: dkalafatas@3phases.com; mmazur@3PhasesRenewables.com; beckimeadows@gmail.com
Cc: Heather Raitt
Subject: 2004 RECs from Sierra Pacific Burney

I am sending this email as a followup to a conversation that I had with Mike Mazur at the Energy Commission in Sacramento on May 15th. As a reminder, the issue at hand, relates to RECs that were purchased from the Sierra Pacific Burney facility in 2004 by 3Phases. Additionally, PG&E claims that they are entitled to the generation and renewable attribute from that facility in 2004. PG&E is using that procurement towards their 2004 Renewables Portfolio Standard Procurement Targets. In other words, 3Phases and PG&E are claiming the same renewable attributes.

Mike informed me that 3Phases was entitled to the renewable attribute from the RECs bought from the Sierra Pacific Burney Biomass facility because a

FERC decision enabled the Qualifying Facilities such as Sierra Pacific Burney to have the rights to the RECs and to sell them if they want to. I informed Mike that SB 107 doesn't apply to 2004 because the law was enacted in January 1st of this year.

Mike also sent me an email this morning proposing to use RECs from another Sierra Pacific facility. Currently, I am discussing this idea with Energy Commission legal counsel to see if this will resolve this issue and what types of documentation 3Phases will need to give us.

This is where we are right now. If any of you have any questions, please let me know.

Jason J. Orta
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